

July 1, 2021

To our stakeholders:

Lucara Diamond Corp. became a Participant of the UN Global Compact on February 19, 2018. On behalf of Lucara, I am pleased to reaffirm our support for the UN Global Compact's Ten Principles on Human Rights, Labour, Environment and Anti-Corruption.

Please find attached Lucara's ninth consecutive annual sustainability report, prepared in accordance with the GRI Standards: Core option, as our updated Communication of Progress. This report, which was subject to limited assurance, covers the reporting period from January to December 2020 and its UN Global Compact index is presented overleaf.

The report demonstrates our sustainability performance across numerous indicators and highlights how we continue to integrate the Ten Principles and UN Sustainable Development Goals (SDGs) into our business strategy, culture and daily operations. This includes our contributions to several SDGs, such as No Poverty (SDG1), Zero Hunger (SDG2), Good Health and Well-being (SDG3), Quality Education (SDG4), Gender Equality (SDG5), Clean Water and Sanitation (SDG6), Decent Work and Economic Growth (SDG8), Industry Innovation and Infrastructure (SDG9), Peace, Justice and Strong Institutions (SDG16), and Partnerships for the Goals (SDG17).

We welcome feedback on how we could further improve our sustainability performance. Please send your email to csr@lucaradiamond.com.

Kind regards,



Eira Thomas
President and CEO



LUCARA

UNGC Principles	Information in Section
HUMAN RIGHTS	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	Our Code of Business Conduct and Ethics, Human Rights Policy. See Governance & Commitments (p. 13)
Principle 2: Businesses should ensure that they are not complicit in human rights abuses	Membership and adherence to the Kimberley Process, Responsible Jewellery Council, and Natural Diamond Council. See Product Stewardship (p. 13)
LABOUR	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	We place no restriction on freedom of association or union membership (Labour Engagement (p.29)
Principle 4: Businesses should uphold the elimination of forced or compulsory labour	Our Code of Business Conduct and Ethics; Adherence to Responsible Jewellery Council principles (p. 13)
Principle 5: Businesses should uphold the effective abolition of child labour	Our Code of Business Conduct and Ethics; Adherence to Responsible Jewellery Council principles (p. 13)
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation	Women at Lucara Botswana (p. 27); Diversity and Gender (p. 28)
ENVIRONMENT	
Principle 7: Businesses should support a precautionary approach to environmental challenges	Responsible Mining Policy, https://www.lucaradiamond.com/about-us/corporate-governance/ , see Environmental Performance (p. 38), including Climate Change Risk (p. 44)
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility	Responsible Mining Policy, https://www.lucaradiamond.com/about-us/corporate-governance/ , see Environmental Performance, p. 39, including Water Use and Recycling (p. 41), and Climate Change Risk (p. 44)
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies	Responsible Mining Policy, https://www.lucaradiamond.com/about-us/corporate-governance/ , see Environmental Performance (p. 39), and Clara/COVID-19 and Decarbonization (p. 48)
ANTI-CORRUPTION	
Principle 10: Businesses should work against all forms of corruption, including extortion and bribery	Our Code of Business Conduct & Ethics (p. 13) Membership and adherence to the Kimberley Process, Responsible Jewellery Council and Diamond Producers Association (p. 13), Compliance with the Canadian Extractive Sector Transparency Measures Act, ESTMA (p.10 and 14)